

**Agreement Relating to Trade in Cotton, Wool, Man-Made Fiber, Non-Cotton Vegetable Fiber and Silk Blend Textiles and Textile Products
Between the Governments of the United States of America
and the Socialist Republic of Vietnam**

Agreement Term

1. (A) The term of this Agreement shall be the period from May 1, 2003 through December 31, 2004. The first "Agreement Period" shall be the period from May 1, 2003 to December 31, 2003. Each subsequent "Agreement Period" shall be a twelve-month period from January 1 of a given year to December 31 of the same year.

(B) Beginning in 2004, in the event that this Agreement is not renegotiated prior to December 1 of any year during which this Agreement is in effect, the Parties shall automatically extend this Agreement for one year and increase the Specific Limits by the applicable growth rate indicated in Annex B (as it may be amended), until the Socialist Republic of Vietnam becomes a Member of the World Trade Organization to whom the United States applies the Agreement Establishing the World Trade Organization.

Coverage of Agreement and Classification by Fiber

2. (A) The textiles and textile products ("textiles") covered by this Agreement are those set out in Annex A. The grouping of categories and the rates of conversion into square meters equivalent (SME) set out in Annex A shall apply in implementing this Agreement.

(B) For the purposes of this Agreement, the following categories are merged and treated as single categories, and, where applicable, the special rates of conversion into square meters equivalent shall apply in implementing this Agreement:

Categories Merged	Designation in Agreement	Special Conversion Factor
334, 335	334/335	n/a
338, 339	338/339	n/a
340, 640	340/640	n/a
341, 641	341/641	n/a
342, 642	342/642	n/a

[Signature]

Categories Merged	Designation in Agreement	Special Conversion Factor
347, 348	347/348	n/a
351, 651	351/651	n/a
352, 652	352/652	11.3
359-C, 659-C	359-C/659-C	10.0
359-S, 659-S	359-S/659-S	11.8
638, 639	638/639	12.96
645, 646	645/646	n/a
647, 648	647/648	n/a

3. (A) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, silk blends, non-cotton vegetable fibers, or blends thereof, in which any or all of these fibers in combination represent the chief weight of the product, are subject to this Agreement. Components of a product not considered relevant to the classification under the General Rules of Interpretation or the Legal Notes to Section 11 of the Harmonized System are to be disregarded for purposes of this Agreement.

(B) For the purposes of this Agreement, textiles covered in subparagraph (A) shall be classified as:

(i) Man-made fiber textiles, if the product is in chief weight of man-made fibers, unless:

(a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, in which case the product shall be classified as a wool textile; or

(b) the product is apparel, not knitted or crocheted, in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product shall be classified as a wool textile; or

(c) the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product shall be classified as a wool textile.

(ii) Cotton textiles, if not covered by subparagraph (B)(i) and if the product is in chief weight of cotton, unless the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in

which case the product shall be classified as a wool textile.

(iii) Wool textiles, if neither of the foregoing subparagraphs applies, and the product is in chief weight of wool.

(iv) Silk blend or non-cotton vegetable fiber textiles, if none of the foregoing subparagraphs applies and the product is in chief weight of silk or non-cotton vegetable fiber, unless:

(a) the product is cotton with wool and/or man-made fibers that in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber components, in which case the product shall be classified as a cotton textile.

(b) the product is not covered by (B)(iv)(a) and wool exceeds 17 percent by weight of all component fibers, in which case the product shall be classified as a wool textile.

(c) the product is not covered by (B)(iv)(a) or (b) and man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or total cotton component, in which case the product shall be classified as a man-made fiber textile.

(C) Notwithstanding subparagraphs (A) and (B), if the product is apparel containing 70 percent or more silk by weight (unless it also contains over 17 percent wool by weight), or is a product other than apparel which contains 85 percent or more silk by weight, it is not subject to this Agreement. Products determined, in accordance with subparagraph (B), to be silk blend and non-cotton vegetable fiber sweaters, shall be divided into "silk blend" sweaters and "non-cotton vegetable fiber" sweaters. For the purpose of this paragraph, sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fiber component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fiber" sweaters. If the product is apparel and contains 70 percent or more silk by weight and over 17 percent wool by weight, it shall be classified as wool textiles under subparagraph (B)(iv)(b).

(D) In the event of a question regarding whether a product is covered by this Agreement because it is uncertain whether the product is in chief weight of cotton, wool, man-made fiber, silk blend, or non-cotton vegetable fiber, the chief value of the fibers may be considered.

Specific Limits

4. In the first Agreement Period, the Government of the Socialist Republic of Vietnam shall limit exports to the United States of cotton, wool, man-made fiber, silk blend and non-cotton vegetable fiber textiles of Vietnamese origin to two-thirds of the Specific Limits set out in Annex B, as such Specific Limits may be adjusted in accordance with this Agreement. During each subsequent Agreement Period, the Government of the Socialist Republic of Vietnam shall limit exports to the United States of cotton, wool, man-made fiber, silk blend and non-cotton vegetable fiber textiles of Vietnamese origin to the Specific Limits set out in Annex B, as increased by the appropriate annual growth rates, and as such Specific Limits may be adjusted in accordance with this Agreement.

Flexibility Adjustments

5. (A) During any Agreement Period, the Specific Limits set out in Annex B may be increased by not more than 6 percent Swing provided that a corresponding reduction in SMEs is made in one or more other Specific Limits during the same Agreement Period.

(B) No Specific Limit may be decreased pursuant to subparagraph (A) to a level that is below the level of exports already charged against that category's limit for that Agreement Period.

(C) The Government of the Socialist Republic of Vietnam shall indicate to the Government of the United States the Specific Limits it would like increased and those which it would like decreased by commensurate quantities in SMEs.

(D) (i) A Specific Limit set out in Annex B may be exceeded in any Agreement Period, by Carryforward (borrowing a portion of the corresponding Specific Limit from the succeeding Agreement Period) and/or Carryover (the use of any unused quantity (shortfall) of the corresponding Specific Limit from the previous Agreement Period) by not more than 11 percent, of which Carryforward shall not constitute more than 6 percent for all categories except 338/339 and 347/348; for categories 338/339 and 347/348, Carryforward shall not constitute more than 8 percent.

(ii) No Carryover shall be available for application in the first Agreement Period. No Carryforward shall be available for application in the final Agreement Period.

(E) A shortfall occurs when, in an Agreement Period, exports of textiles of Vietnamese origin to the United States are below any Specific Limit set out in Annex B (or, in the case of any Specific Limit decreased pursuant to this paragraph, when such exports are below the Specific Limit as so decreased) in the Agreement Period following the shortfall, the Government of the United States may permit exports in excess of the Specific Limit in which the shortfall occurred

by carryover of the shortfall to that Specific Limit, in an amount not greater than the amount of the shortfall.

(F) The Government of the Socialist Republic of Vietnam shall notify the Government of the United States when it wishes to use shortfall for carryover, for swing, or for carryforward, subject to the provisions of this paragraph. The Specific Limits set out in Annex B do not include any adjustments permitted under this paragraph.

Overshipment Charges

6. (A) The Government of the United States may deny entry to products of Vietnamese origin shipped in excess of the Specific Limits in any Agreement Period, or may permit entry to such products and charge the amount in excess of the Specific Limit in the current Agreement Period to the applicable corresponding Specific Limit in the succeeding Agreement Period. The Government of the Socialist Republic of Vietnam shall be notified of any such action taken by the Government of the United States.

(B) Any action taken by the Government of the United States pursuant to subparagraph (A) shall not prejudice the rights of the Government of the Socialist Republic of Vietnam regarding consultations.

Spacing Provision

7. The Government of the Socialist Republic of Vietnam shall use its best efforts to space exports of its products to the United States within each category, sub-category, or part-category evenly throughout each Agreement Period, taking into consideration normal seasonal factors.

Implementation of the Specific Limits

8. The Government of the Socialist Republic of Vietnam shall implement the Specific Limits of this Agreement. The Government of the United States may assist the Government of the Socialist Republic of Vietnam in implementing the Specific Limits of this Agreement by controlling, by the date of export, imports of textiles covered by this Agreement.

Visa Arrangement

9. The provisions of the Visa Arrangement, set out in Annex C, shall govern the licensing of exports of textiles of Vietnamese origin. Visas issued in a particular Agreement Period shall be valid only for textiles exported during that Agreement Period.

Commercial Samples and Personal Shipments

10. Merchandise imported for the personal use of the importer and not for resale.

regardless of value, and properly marked commercial sample shipments valued at USD 800 or less do not require a visa for entry and shall not be subject to the Specific Limits established under this Agreement.

Exchange of Information

11. Subject to domestic laws and regulations, at the request of the other Party, each Party agrees to supply any information within its possession reasonably believed by either Party to be necessary for the enforcement of this Agreement.

Exchange of Data

12. (A) The Government of the United States shall promptly supply the Government of the Socialist Republic of Vietnam data on monthly imports of textiles of Vietnamese origin into the United States.

(B) The Government of the Socialist Republic of Vietnam shall promptly supply the Government of the United States data on monthly exports of textiles of Vietnamese origin to the United States.

Cooperation in the Prevention of Circumvention

13. (A) The Government of the United States and the Government of the Socialist Republic of Vietnam agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this Agreement by transshipment, rerouting, false declaration concerning country of origin, falsification of official documents, or by other means.

(B) (i) Both Parties agree to cooperate fully, consistent with their domestic laws and regulations, in instances of circumvention or alleged circumvention, and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, to the extent consistent with domestic laws and regulations, shall include investigation of circumvention practices; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of plant visits and contacts by representatives of either Party, upon request and on a case-by-case basis.

(ii) If circumvention is discovered by the Government of the Socialist Republic of Vietnam, it shall investigate and inform the Government of the United States of the result. These results will include the following information: names and addresses of the plant(s) found to be in violation (in English and Vietnamese); penalty imposed; visa numbers of the export licenses involved in the particular case and for the past 12 months from the plant(s) found in violation; product category and quantity; purchase orders, bills of lading, contracts, invoices, and other documents indicating

the origin of the goods; and the name of the U.S. importer, if available.

(iii) If the Government of the United States wishes to visit textiles factories, freight forwarders, trading houses, exporters, or other firms involved in trade in textiles exported to the United States (plants) in Vietnam, for purposes of preventing circumvention of this Agreement, the customs authorities of the United States shall give written notice, including the reasons for such visit, to the Government of the Socialist Republic of Vietnam fourteen days in advance, and shall state the number of plants it intends to visit and the proposed dates of such visits. The plants to be visited shall not be notified in advance of the visit. Such visits shall be conducted by officials of both Parties in accordance with domestic laws and regulations. When the visit occurs, permission from a responsible person at the plant shall be obtained at the time of each visit. If permission is denied by a responsible person at the plant, then the visit shall not go forward. In such an instance, the Government of the Socialist Republic of Vietnam shall suspend issuance of visas to textiles produced at the plant, and the Government of the United States may deny entry to such goods until such visit is conducted. Upon completion of such a visit, the Party making the request for the visit shall promptly provide a report to other Party on the results of such visit.

(C) If either Party considers that this Agreement is being circumvented, it may request consultations to address the matters concerned with a view to seeking a mutually satisfactory solution. Each Party agrees to begin such consultations within 30 days of receipt of a written request by the other Party and to conclude such consultations within 90 days, unless extended by mutual agreement, and to cooperate fully in accordance with subparagraph (13)(B).

(D) Should the Parties be unable to reach a satisfactory solution in the course of consultations under subparagraph (13)(C), then where:

(i) the Government of the United States has clear evidence that circumvention has occurred or is taking place and has provided such evidence to the Government of the Socialist Republic of Vietnam, or

(ii) the Government of the United States has provided factual information to the Government of the Socialist Republic of Vietnam demonstrating a substantial likelihood that circumvention has occurred or is taking place and has requested from the Government of the Socialist Republic of Vietnam cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Government of the Socialist Republic of Vietnam, and the Government of the Socialist Republic of Vietnam, without adequate reason, has not provided such information or cooperation,

the Government of the United States may charge to the Specific Limits for that Agreement Period amounts not exceeding the amount of circumventing products of Vietnamese origin. -

(E) The Government of the United States may charge to the Specific Limit up to three times the amount of circumventing textiles of Vietnamese origin in the three-year period immediately preceding the date on which the Government of the United States requests consultations under this paragraph, if two or more charges have been made pursuant to subparagraph (D) within the twelve-month period immediately preceding the date of such request, and the Government of the United States has clear evidence of circumvention. Any such charges shall be distributed equally throughout the remaining term of the Agreement. The Government of the United States shall not make any charges pursuant to this paragraph unless it has requested consultations with the Government of the Socialist Republic of Vietnam. Such consultations shall begin within 30 days of the request and must conclude within 90 days of the request, unless extended by mutual agreement. The Parties may agree upon other solutions, including arrangements with the third party through whom the goods were illegally transshipped.

(F) Where there is clear evidence that textiles originating in another country have been illegally transshipped through Vietnam to the United States, the Governments of the Socialist Republic of Vietnam and the United States agree to take appropriate action. Any such action, together with their timing and scope, may be taken only after consultations held with a view to seeking a mutually satisfactory solution. Such consultations should begin within 30 days of a receipt of a written request by a Party, and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a mutually satisfactory solution, then the Governments of the Socialist Republic of Vietnam and the United States agree that the Government of the United States may make charges to the Specific Limits in accordance with subparagraph (D), except that the United States may in this case charge an amount not more than the amount of products illegally transshipped through Vietnam.

(G) If the Socialist Republic of Vietnam becomes a Member of the WTO to whom the United States applies the WTO Agreement before January 1, 2005, any actions taken under this paragraph shall be notified to the WTO Textiles Monitoring Body.

(H) The Parties note that some cases of circumvention may involve shipments transiting or not transiting Vietnam with no changes or alterations made to the goods contained in such shipments in Vietnam. They note that it may not be generally practicable for the Socialist Republic of Vietnam to exercise control over such shipments.

Mutually Satisfactory Administrative Arrangements

14. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

Consultation Mechanism

15. (A) In the event that the Government of the United States considers that imports of textiles of Vietnamese origin not subject to the Specific Limits under this Agreement are disrupting U.S. textiles markets and threatening to impede the orderly development of trade between the Parties, the Government of the United States may request consultations with the Government of the Socialist Republic of Vietnam with a view to easing or avoiding such market disruption. The Government of the United States shall provide the Government of the Socialist Republic of Vietnam at the time of the request with a detailed factual statement of reasons and justifications for its request for consultations.
- (B) The Government of the Socialist Republic of Vietnam agrees to consult with the Government of the United States within 30 days of receipt of this request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory solution of the issue within 90 days of receipt of such request, unless extended by mutual agreement.
- (C) (i) Upon receipt of the request for consultations, and for the period remaining in the Agreement Period in which the request is made, the Government of the Socialist Republic of Vietnam shall limit its shipments to the United States of products in the category or categories subject to such consultations to a level no greater than 107.5 percent (106 percent for wool products) of the amount entered, as reported in U.S. General Import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, pro-rated for the number of days remaining in the Agreement Period.
- (ii) Where three or fewer months remain in an Agreement Period at the time of the request for consultations, upon receipt of the request for consultations, the Government of the Socialist Republic of Vietnam shall hold its shipments to the United States in the category or categories subject to these consultations for the remaining days of the Agreement Period and the subsequent Agreement Period to a level no greater than 107.5 percent (106 percent for wool products) of the amount entered, as reported in U.S. General Import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, pro-rated for the remaining days of the Agreement Period and the subsequent Agreement Period.

(D) (i) If no mutually satisfactory solution is reached during the 90-day period, consultations shall continue and the Government of the United States may continue the limit provided for in subparagraph (C) for products in the category or categories subject to these consultations for the duration of the Agreement, or until a mutually satisfactory solution is reached.

(ii) For each additional Agreement Period in which the Government of the United States continues the limit provided in subparagraph (C), such limit shall be increased by 6 percent (1 percent for wool products). The subsequent limit may be used for Swing, Carryover or Carryforward, as provided for in this Agreement. Carryover shall not be available in the first additional Agreement Period; Carryforward shall not be available if the limit continues into the final Agreement Period.

Market Access

16. The Government of the United States and the Government of the Socialist Republic of Vietnam recognize the need for improved access to each other's markets and the importance of such market access in the world trading system. To facilitate market access and in furtherance of economic relations, the Government of the Socialist Republic of Vietnam and the Government of the United States agree as follows:

(A) As of the effective date of this Agreement, the Government of the Socialist Republic of Vietnam shall apply tariffs for textiles of U.S. origin at rates no higher than the rates set forth in the Annex D to this Agreement.

(B) Pursuant to Article I, Chapter I, of the Bilateral Trade Agreement between the Government of the United States and the Government of the Socialist Republic of Vietnam, if the Government of the Socialist Republic of Vietnam applies a tariff rate to a textile article originating in any third country that is lower than the rate that would apply to the textile article if it were of U.S. origin in accordance with Annex D, except for any lower rate applied to the textile article before May 1, 2003, the lower rate shall apply to the textile article of U.S. origin.

(C) The Government of the Socialist Republic of Vietnam shall refrain from applying to textiles of U.S. origin non-tariff restrictions such as import licensing, quantitative restrictions, and import bans, if these measures are inconsistent with WTO rules, so as not to impede access to the Vietnamese market for textiles of U.S. origin.

(D) If the Government of the Socialist Republic of Vietnam fails to provide the market access specified in this Agreement, the other Party shall not be obligated to comply with other provisions of this Agreement.

Labor

17. (A) The Parties reaffirm their commitments as members of the International Labor Organization (ILO), and agree to further cooperation with the ILO. The Parties also support the implementation of codes of corporate social responsibility by enterprises on a voluntary basis and in compliance with domestic laws and regulations, as a means to improve working conditions in the textiles sector.

(B) The Parties recall the November 2000 Memorandum of Understanding (MOU) between the Department of Labor of the United States of America (USDOL) and the Ministry of Labor, Invalids and Social Affairs of the Socialist Republic of Vietnam (MOLISA). Within the framework of that MOU, USDOL and MOLISA shall consider a cooperative program to improve working conditions in the textiles sector in Vietnam. When they meet in accordance with the MOU, representatives of USDOL and MOLISA shall review progress toward the goal of improving working conditions in the textiles sector.

Consultations on Implementation of the Agreement

18. The Government of the United States and the Government of the Socialist Republic of Vietnam agree to consult, upon the request of either Party, on any question that may arise relating to the implementation of this Agreement.

Right to Propose Revisions to the Agreement

19. (A) The Government of the United States and the Government of the Socialist Republic of Vietnam may at any time propose revisions to the terms of this Agreement. Each Party shall consult promptly with the other Party about such proposals, or take such other appropriate action as may be mutually agreed upon.

(B) The Government of the United States and the Government of the Socialist Republic of Vietnam note that the Specific Limits in Annex B are based, *inter alia*, on U.S. data on imports of textiles of Vietnamese origin. If either Party discovers any discrepancy in such data, the Parties agree to consult regarding the discrepancy, and agree to consider the data of Vietnam and the United States. Each Party agrees to begin such consultations within 30 days of receipt of a written request by the other Party and to conclude such consultations within 90 days, unless extended by mutual agreement. Should the Parties be unable to reach a satisfactory solution in the course of consultations, then where:

(i) a Party has clear evidence that the U.S. data is discrepant and has provided such evidence to the other Party, or

(ii) a Party has provided factual information to the other Party demonstrating a substantial likelihood that the U.S. data is discrepant and has requested from the other Party cooperation or information relevant to the possible discrepancy that is of a type that is available to or could

reasonably be obtained by the other Party, and the other Party, without adequate reason, has not provided such information or cooperation,

that Party may take appropriate measures to resolve the discrepancy. The customs authorities of the United States may conduct a visit pursuant to the provisions of subparagraph 13(B)(iii) to verify the accuracy of such data.

Continuation of Provisions Upon WTO Membership

20. (A) For purposes of the application of the Agreement on Textiles and Clothing, if the Socialist Republic of Vietnam becomes a Member of the World Trade Organization (WTO) to whom the United States applies the Agreement Establishing the WTO before January 1, 2005, the Specific Limits shall be notified to the Textiles Monitoring Body under the provisions of the Article 2.1 of the Agreement on Textiles and Clothing and the provisions set out in paragraphs 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 17, and 19(B) shall remain in force and shall be notified to the Textiles Monitoring Body for purposes of administrative arrangements under Article 2.17 of the Agreement on Textiles and Clothing.

(B) If the Socialist Republic of Vietnam becomes a Member of the World Trade Organization (WTO) to whom the United States applies the Agreement Establishing the WTO after January 1, 2005, then this Agreement and its Specific Limits shall no longer apply as of the date the United States applies the Agreement Establishing the WTO to the Socialist Republic of Vietnam.

Right to Terminate the Agreement

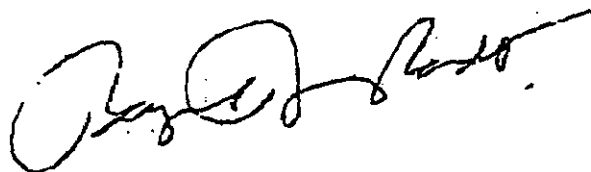
21. Either Party may terminate this Agreement, effective at the end of any Agreement Period, by written notice to the other Party, to be delivered at least 90 days prior to the end of such Agreement Period.

Entry into Force

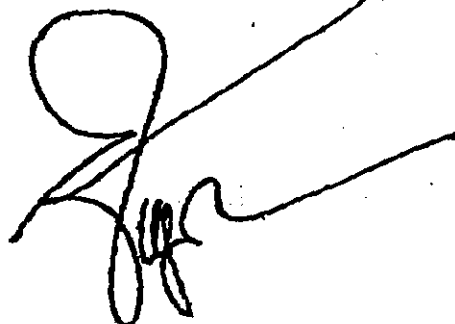
22. This Agreement shall enter into force upon signature.

Done at Hanoi, this day of July 17 2003, in the English and Vietnamese languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



FOR THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF VIETNAM



ANNEX A

U.S. TEXTILES CATEGORY SYSTEM UNDER THE HARMONIZED SYSTEM

Categories numbered in the:

200 series are of cotton and /or man-made fiber

300 series are of cotton

400 series are of wool

600 series are of man-made fiber

800 series are of silk blend or non-cotton vegetable fibers

CATEGORY	DESCRIPTION	UNIT	CONVERSION FACTOR TO SQUARE METERS
YARN			
200	Yarns put up for retail sale, and sewing thread	kg.	6.60
201	Specialty yarns	kg.	6.50
300	Carded cotton yarn	kg.	8.50
301	Combed cotton yarn	kg.	8.50
400	Wool yarn	kg.	3.70
600	Textured filament yarn	kg.	6.50
603	Yarn containing 85% or more by weight artificial staple fiber	kg.	6.30
604	Yarn containing 85% or more by weight synthetic staple fiber	kg.	7.60
606	Non-textured filament yarn	kg.	20.10
607	Other staple fiber yarn	kg.	6.50
800	Silk blends or non-cotton vegetable fiber yarn	kg.	8.50
FABRIC			
218	Of yarns of different color	m2	1.00
219	Duck	m2	1.00
220	Fabric of special weave	m2	1.00
222	Knit fabric	kg.	12.30
223	Non-woven fabric	kg.	14.00
224	Pile and tufted fabric	m2	1.00
225	Blue denim	m2	1.00
226	Cheesecloth, batista, lawn, voile	m2	1.00
227	Oxford cloth	m2	1.00
229	Special purpose fabric	kg.	13.60
313	Shirting	m2	1.00
314	Poplin and broadcloth	m2	1.00
315	Printcloth	m2	1.00
317	Twills	m2	1.00

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CATEGORY	DESCRIPTION	UNIT	CONVERSION FACTOR TO SQUARE METERS
326	Sateens	m2	1.00
410	Woven fabric	m2	1.00
414	Other wool fabric	kg.	2.80
611	Woven fabric containing 85% or more by weight artificial staple	m2	1.00
613	Sheeting	m2	1.00
614	Poplin and broadcloth	m2	1.00
615	Printcloth	m2	1.00
617	Twills and Sateens	m2	1.00
618	Woven artificial filament fabric	m2	1.00
619	Polyester filament fabric	m2	1.00
620	Other synthetic filament fabric	m2	1.00
621	Impression fabric	kg.	14.40
622	Glass fiber fabric	m2	1.00
624	MMF fabric, woven, containing more than 15% but less than 36% wool	m2	1.00
625	Poplin and broadcloth of staple/filament fiber combinations	m2	1.00
626	Printcloth of staple/filament fiber combinations	m2	1.00
627	Sheeting of staple/filament fiber combinations	m2	1.00
628	Twills and sateens of staple/filament fiber combinations	m2	1.00
629	Other fabrics of staple/filament fiber combinations	m2	1.00
810	Woven fabric, silk blend and non-cotton vegetable fiber	m2	1.00
APPAREL			
237	Playsuits, sunsuits, etc	doz	19.20
239	Babies' garments and clothing accessories	kg.	6.30
330	Handkerchiefs	doz	1.40
331	Gloves and mittens	dpr	2.90
332	Hosiery	dpr	3.80
333	M & B suit-type coats	doz	30.30
334	Other M & B coats	doz	34.50
335	W & G coats	doz	34.50
336	Dresses	doz	37.90
338	M & B knit shirts	doz	6.00
339	W & G knit shirts and blouses	doz	6.00
340	M & B shirts, not knit	doz	20.10
341	W & G shirts & blouses, not knit	doz	12.10

CATEGORY	DESCRIPTION	UNIT	CONVERSION FACTOR TO SQUARE METERS
342	Skirts	doz	14.90
345	Sweaters	doz	30.80
347	M & B trousers, breeches & shorts	doz	14.90
348	W & G trousers, breeches & shorts	doz	14.90
349	Brassieres & other body supporting garments	doz	4.00
350	Robes, dressing gowns, etc.	doz	42.60
351	Nightwear and pajamas	doz	43.50
352	Underwear	doz	9.20
353	M & B down-filled coats	doz	34.50
354	W & G down-filled coats	doz	34.50
359	Other cotton apparel	kg.	8.50
431	Gloves and mittens	dpr	1.80
432	Hosiery	dpr	2.30
433	M & B suit-type coats	doz	30.10
434	Other M & B coats	doz	45.10
435	W & G coats	doz	45.10
436	Dresses	doz	41.10
438	Knit shirts & blouses	doz	12.50
439	Babies' garments and clothing accessories	kg.	6.30
440	Shirts & blouses, not knit	doz	20.10
442	Skirts	doz	15.00
443	M & B suits	no.	3.76
444	W & G suits	no.	3.76
445	M & B sweaters	doz	12.40
446	W & G sweaters	doz	12.40
447	M & B trousers, breeches & shorts	doz	15.00
448	W & G trousers, breeches & shorts	doz	15.00
459	Other wool apparel	kg.	3.70
630	Handkerchiefs	doz	1.40
631	Gloves and mittens	dpr	2.90
632	Hosiery	dpr	3.80
633	M & B suit-type coats	doz	30.30
634	Other M & B coats	doz	34.50
635	W & G coats	doz	34.50
636	Dresses	doz	37.90
638	M & B knit shirts	doz	15.00
639	W & G knit shirts and blouses	doz	12.50
640	M & B shirts, not knit	doz	20.10
641	W & G shirts and blouses, not knit	doz	12.10
642	Skirts	doz	14.90
643	M & B suits	no.	3.76

CATEGORY	DESCRIPTION	UNIT	CONVERSION FACTOR TO SQUARE METERS
644	W & G suits	no.	3.76
645	M & B sweaters	doz	30.80
646	W & G sweaters	doz	30.80
647	M & B trousers, breeches & shorts	doz	14.90
648	W & G trousers, breeches & shorts	doz	14.90
649	Brassieres & other body supporting garments	doz	4.00
650	Robes, dressing gowns, etc.	doz	42.60
651	Nightwear and pajamas	doz	43.50
652	Underwear	doz	13.40
653	M & B down-filled coats	doz	34.50
654	W & G down-filled coats	doz	34.50
659	Other man-made fiber apparel	kg.	14.40
831	Gloves and mittens	dpr	2.90
832	Hosiery	dpr	3.80
833	M & B suit-type coats	doz	30.30
834	Other M & B coats	doz	34.50
835	W & G coats	doz	34.50
836	Dresses	doz	37.90
838	Knit shirts and blouses	doz	11.70
839	Babies' garments and clothing	kg.	6.30
840	Shirts and blouses, not knit	doz	16.70
842	Skirts	doz	14.90
843	M & B suits	no.	3.76
844	W & G suits	no.	3.76
845	Sweaters of non-cotton vegetable fibers	doz	30.80
846	Sweaters of silk blends	doz	30.80
847	Trousers, breeches & shorts	doz	14.90
850	Robes, dressing gowns, etc.	doz	42.60
851	Nightwear and pajamas	doz	43.50
852	Underwear	doz	11.30
858	Neckwear	kg.	6.60
859	Other apparel	kg.	12.50

**MADE-UP
AND
MISCEL-
LANEOUS
TEXTILES**

360	Pillowcases	no.	0.90
361	Sheets	no.	5.20
362	Bedspreads and quilts	no.	5.80
363	Terry and other pile towels	no.	0.40
369	Other cotton manufactures	kg.	8.50
464	Blankets	kg.	2.40
465	Floor coverings	m ²	1.00
469	Other wool manufactures	kg.	3.70
665	Floor coverings	m ²	1.00
666	Other man-made fiber furnishings	kg.	14.40
669	Other man-made fiber manufactures	kg.	14.40
670	Flat goods, handbags, and luggage	kg.	3.70
863	Towels	no.	0.40
870	Luggage	kg.	3.70
871	Flatgoods and handbags	kg.	3.70
899	Other silk and vegetable blend manufactures	kg.	11.10

ANNEX B

Category	Description	Units	Growth Rate	2003 Quota
200	Retail Yarn/Sewing Thread	Kg.	7%	300,000
301	Combed Cotton Yarn	Kg.	7%	680,000
332	Cotton Hosiery	Doz. Pr.	7%	1,000,000
333	Men's and Boys' Suit-Type Coats	Doz.	7%	36,000
334/335	Cotton Coats	Doz.	7%	675,000
338/339	Cotton Knit Shirts and Blouses	Doz.	7%	14,000,000
340/640	Men's and Boys' Woven Shirts	Doz.	7%	2,000,000
341/641	Women's and Girls' Woven Blouses	Doz.	7%	762,698
342/642	Skirts	Doz.	7%	551,684
345	Cotton Sweaters	Doz.	7%	300,000
347/348	Cotton Trousers	Doz.	7%	7,000,000
351/651	Pajamas and Nightwear	Doz.	7%	482,000
352/652	Underwear	Doz.	7%	1,850,000
359/659-C	Coveralls	Kg.	7%	325,000
359/659-S	Swimwear	Kg.	7%	525,000
434	Men's and Boys' Other Wool Coats	Doz.	2%	16,200
435	Women's and Girls' Wool Coats	Doz.	2%	40,000
440	Woven Wool Shirts and Blouses	Doz.	2%	2,500
447	Men's and Boys' Wool Trousers	Doz.	2%	52,000
448	Women's and Girls' Wool Trousers	Doz.	2%	32,000
620	Woven Fabric of Other Synthetic Filament Yarn	Sq. Mt.	7%	6,364,000
632	Man-Made Fiber Hosiery	Doz. Pr.	7%	500,000
638/639	Man-Made Fiber Knit Shirts and Blouses	Doz.	7%	1,271,000
645/646	Man-Made Fiber Sweaters	Doz.	7%	200,000
647/648	Man-Made Fiber Trousers	Doz.	7%	1,973,318

ANNEX C

VISA ARRANGEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF VIETNAM CONCERNING TEXTILES AND TEXTILE PRODUCTS

1. Definitions:

A. The term "textiles" means textiles and textile products of cotton, wool, man-made fibers, vegetable fibers other than cotton, blends of any of the foregoing fibers and blends containing silk, but does not include garments which contain 70 percent or more by weight of silk (unless they also contain over 17 percent by weight of wool), or products other than garments which contain 85 percent or more by weight of silk, as set out in paragraph 3 of the Agreement Relating to Trade in Cotton, Wool, Man-made Fiber, Non-Cotton Vegetable Fiber and Silk Blend Textiles and Textile Products Between the Governments of the United States of America and the Socialist Republic of Vietnam.

B. The term "category" means a class of textiles, as set out in Annex A to the Agreement Relating to Trade in Cotton, Wool, Man-made Fiber, Non-Cotton Vegetable Fiber and Silk Blend Textiles and Textile Products Between the Governments of the United States of America and the Socialist Republic of Vietnam, which are subject to limits. The term "category" includes part categories and merged categories, as applicable.

C. The term "visa" means a stamp issued by the Government of the Socialist Republic of Vietnam, or by its representative, for textiles exported to the United States, which describes the shipment, certifies the country of origin, and authorizes the shipment to be charged against any applicable category limit.

2. Visa Requirements:

A. The Government of the Socialist Republic of Vietnam shall, beginning July 1, 2003, and until this Agreement expires, issue a visa for each shipment of textiles, as defined in Article 1 above, produced or manufactured in Vietnam and exported to the United States, regardless of value, except as noted in Paragraph 3.B below, in categories that are subject to specific limits, as set out in the *Correlation: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States, 2002* (or successor publication), and as set out in Annex B to the Agreement Relating to Trade in Cotton, Wool, Man-made Fiber, Non-Cotton Vegetable Fiber and Silk Blend Textiles and Textile Products Between the Governments of the United States of America and the Socialist Republic of Vietnam. The visa shall be presented to the customs authorities of the United States before entry into, or before withdrawal from warehouse for consumption in, the customs territory of the United States (the 50 states, the District of Columbia and Puerto Rico)

B. If additional categories, merged categories or part categories are added or become

subject to limits, the merged or part categories shall be automatically included in the coverage of this Arrangement. Merchandise covered by such categories exported on or after the date such categories become subject to limits shall require a visa.

C. A shipment shall be visaed by stamping the original circular visa in blue ink on the front of the original commercial invoice or successor document. The original visa shall not be stamped on duplicate copies of the invoice. The original invoice with the original visa stamp shall be required to enter the shipment into the United States. Duplicates of the invoice and/or visa may not be used for this purpose.

D. Each visa stamp shall include the following information:

i. The visa number: The visa number shall be in the standard nine digit-letter format beginning with one numeric digit for the last digit of the year of export, followed by the two character alpha code specified by the International Organization for Standardization (ISO) (the code for Vietnam is VN), and a six digit numerical serial number identifying the shipment; e.g., 3VN123456.

ii. The date of issuance: The date of issuance shall be the day, month and year on which the visa was issued.

iii. The signature of the issuing official and the printed name of the issuing official: The signature shall be that of any official authorized to issue visas by the Government of the Socialist Republic of Vietnam.

iv. The correct category, merged category, part category, quantity, and unit of quantity of each kind of merchandise in the shipment in the unit of quantity provided for in the *Correlation: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States, 2002* (or successor publication), and as set out in Annex B to this Arrangement (e.g., "Cat. 340- 510 DOZ"). Quantities must be stated in whole numbers. Decimals or fractions will not be accepted. Merchandise in a merged category subject to a limit may be entered using either a merged category visa or a single category visa if the shipment consists solely of merchandise in one of the categories. For example, if the shipment consists solely of category 340 merchandise, it may be entered using a visa either for the merged category 340/640 or for the single category 340. If, however, a merged category subject to a limit has a sublimit, there must be a single category visa if the shipment contains any merchandise in the category subject to the sublimit. For example, if the shipment contains both category 340 and 640 merchandise, but there is a sublimit on category 340, then any category 340 merchandise must be entered using a visa for the single category 340. The category 640 merchandise may be entered using a visa either for the merged category 340/640 or for the single category 640.

E. If the quantity indicated on the visa is less than that of the shipment, entry shall be denied.

F. If the quantity indicated on the visa is more than that of the shipment, entry shall be permitted and only the amount entered shall be charged to any applicable category

limit.

G. Entry shall be denied, except as noted in Paragraph 2.J., if the shipment does not have a visa, or if the visa number, date of issuance, signature, printed name of the signer, category, quantity or units of quantity are missing, incorrect, illegible, or have been crossed out or altered in any way.

H. The complete name and address of the manufacturer of the textiles covered by the visa shall be provided on the document bearing the textiles visa.

I. The categories, quantities and date of export shall be as determined by the customs authorities of the United States, and in accordance with Annex B. The customs authorities of the United States shall classify all imports into the customs territory of the United States in compliance with U.S. laws and regulations.

J. If a visa is not acceptable then a new, correct visa must be obtained from the Government of the Socialist Republic of Vietnam, or a visa waiver must be presented to the customs authorities of the United States before any portion of the shipment shall be released. A visa waiver may be issued by the U.S. Department of Commerce at the request of the Embassy in Washington, D.C. for the Government of the Socialist Republic of Vietnam. A visa waiver only waives the requirement to present a visa at the time of entry; any applicable category limit shall continue to apply. Visa waivers shall only be issued for classification purposes or for one-time special purpose shipments that are not part of an ongoing commercial enterprise.

K. If a visaed invoice is deficient, the customs authorities of the United States shall not return such document after entry, but shall provide a certified copy for use in obtaining a new, correct, original, visaed invoice, or a visa waiver.

L. If a shipment from Vietnam has been allowed entry into the commerce of the United States with either an incorrect visa or no visa, and redelivery is requested but cannot be made, the shipment shall be charged to any applicable category limit whether or not a replacement visa or waiver is provided.

3. Other Provisions:

A. The date of export is the actual date the merchandise leaves Vietnam. For merchandise exported by vessel or carrier, this is the date on which the merchandise leaves the last port in Vietnam.

B. Merchandise imported for the personal use of the importer and not for resale, regardless of value, and properly marked commercial sample shipments valued at U.S. \$800 or less, are not subject to visa requirements for entry and shall not be charged to any applicable category limits.

C. The Government of the Socialist Republic of Vietnam shall provide the Government of the United States three original, clear, reproducible copies of the visa

stamp that shall be the stamp designated for use throughout the entire period this Arrangement is in effect, and three originals of the signatures of the officials authorized to sign visas. The stamp, and any subsequent changes thereto, must be approved by the Government of the United States. The Government of the Socialist Republic of Vietnam shall notify the Government of the United States at least forty-five days prior to a change in the officials authorized to sign the visa.

D. Either Government may terminate, in whole or in part, this Arrangement by giving ninety days written notice to the other Government.

Annex D

Product Group	Agreed Tariff Rates	Agreed Tariff Rates	Agreed Tariff Rates
	2003	2004	2005*
Fibers	7	6	5
Yarns	12	10	7
Fabrics and Madeups	20	16	12
Apparel	30	25	20

*If the Agreement is extended to 2005.

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